MLN Matters®
Information for Medicare Fee-for-Service Health Care Professionals

News Flash - The revised Medicare Resident, Practicing Physician, and Other Health Care Professional Training Facilitator's Kit (October 2009), which includes all the information and instructions necessary to prepare for and present a Medicare Resident, Practicing Physician, and Other Health Care Professional Training Program including instructions for facilitators, customization guide, a PowerPoint presentation with speaker notes, pre- and post-assessments, master assessment answer keys, and a course evaluation tool, is now available from the Centers for Medicare & Medicaid Services Medicare Learning Network. This kit contains the following materials: Medicare Physician Guide: A Resource for Residents, Practicing Physicians, and Other Health Care Professionals (CD-Rom format), Facilitator's Guide (CD-Rom format), and Medicare Resident, Practicing Physician, and Other Health Care Professional Training: An Introduction video (DVD format). To place your order, visit *http://www.cms.gov/MLNGenInfo/* , scroll down to "Related Links Inside CMS" and select "MLN Product Ordering Page."

MLN Matters Number: MM6973 Revised

Related Change Request (CR) #: 6973

Related CR Release Date: May 10, 2010

Effective Date: January 1, 2010

Related CR Transmittal #: R700OTN

Implementation Date: No later than June 1, 2010

Revised Payment Files for the 2010 Medicare Physician Fee Schedule Database (MPFSDB) and Retroactive Provisions under the Patient Protection and Affordable Care Act (Pub. L. 111-148) (the Affordable Care Act)

Note: This article was revised on May 24, 2010, to show that Medicare's implementation date for using the new payment files is no later than June 1, 2010. All other information remains the same.

Provider Types Affected

Physicians, non-physician practitioners, and providers submitting claims to Medicare contractors (carriers, Fiscal Intermediaries (FIs), and/or Part A/B Medicare Administrative Contractors (A/B MACs) for professional services provided to Medicare beneficiaries that are paid under the Medicare Physician Fee Schedule (MPFS) are affected by this article.

Provider Action Needed

This article is based on Change Request (CR) 6973, which amends payment files that were issued to contractors to take into account the 2010 MPFS Final Rule

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correction notice that went on display at the Federal Register on May 5, 2010 and retroactive provisions under the Affordable Care Act.

Background

Payment files were issued to contractors based on the calendar year (CY) 2010 MPFS Final Rule. Subsequent to the publication of the CY 2010 MPFS Final Rule:

- The Department of Defense Appropriations Act of 2010 provided a two month zero percent update to the 2010 MPFS, effective for dates of service January 1, 2010, through February 28, 2010;
- The Temporary Extension Act of 2010 extended the zero percent update to the 2010 MPFS for dates of service through March 31 2010; and
- The Continuing Extension Act of 2010 extended the zero percent update to the 2010 MPFS for dates of service through May 31, 2010.

CR6973 includes changes as a result practice expense (PE) and malpractice (MP) relative value unit (RVU) corrections and provisions of the Patient Protection and Affordable Care Act (the Affordable Care Act), as modified by the Health Care and Education Reconciliation Act of 2010, which was signed into law on March 23, 2010, and March 30, 2010, respectively.

The PE and MP RVUs have been revised to align their values with the final CY 2010 MPFS policies for PE and MP RVUs. Although the zero percent (0%) update to the 2010 MPFS has been extended through legislation, the conversion factor (CF) has been revised as a result of the PE and MP RVU corrections. The revised CF used in calculating the payment amounts associated with this instruction is $36.0791.

The Affordable Care Act, as modified by the Health Care and Education Reconciliation Act of 2010, also included the extension of several provisions, retroactive to January 1, 2010, that had previously been included in other legislation. The extended provisions include 1) the extension of the work geographic practice cost index (GPCI) floor of 1.0 through December 31, 2010; 2) the extension of the MPFS mental health add-on 3) the extension of the exceptions process for Medicare therapy caps; and 4) the extension of payment for the technical component (TC) of certain physician pathology services. Also included is a revision to the PE GPCIs for CY 2010 and a new provision regarding payment for bone density tests in CY 2010.

Descriptions of Provisions

Revisions to CY 2010 Work and PE GPCIs

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Section 3102 of the Affordable Care Act extends the 1.0 work GPCI floor for services furnished through December 31, 2010. It also revises the PE GPCIs for CY 2010 so that the employee wage and rent portions of the PE GPCI reflect only one-half of the relative cost differences for each locality compared to the national average. Each PFS locality is held harmless under the PE GPCI changes.

These changes are reflected in the revised payment files and are retroactive to January 1, 2010.

Extension of Physician Fee Schedule Mental Health Add-On

Section 138 of the Medicare Improvements for Patients and Providers Act of 2008 increased the Medicare payment amount for specific "Psychiatry" services by 5 percent, effective for dates of service July 1, 2008, through December 31, 2009. Section 3107 of the Affordable Care Act extends this provision retroactive to January 1, 2010, through December 31, 2010. The "Psychiatry" CPT codes that represent the "specified services" are as follows:

- Office or Other Outpatient Facility
  - (Insight Oriented, Behavior Modifying and/or Supportive Psychotherapy) CPT Codes 90804, 90805, 90806, 90807, 90808, 90809
  - (Interactive Psychotherapy) CPT Codes 90810, 90811, 90812, 90813, 90814, 90815
- Inpatient Hospital, Partial Hospital or Residential Care Facility
  - (Insight Oriented, Behavior Modifying and/or Supportive Psychotherapy) CPT Codes 90816, 90817, 90818, 90819, 90821, 90822
  - (Interactive Psychotherapy) CPT Codes 90823, 90824, 90826, 90827, 90828, 90829

The increased payment amounts for these codes are included on the revised payment files and are retroactive to January 1, 2010.

Payment for Bone Density Tests

Section 3111 of the Affordable Care Act adjusts the payment amounts for bone density tests. For dual-energy x-ray absorptiometry services furnished during CY 2010, the payment amount will be equal to 70 percent of the product of a) the relative value for the service for CY 2006; b) the conversion factor for CY 2006; and c) the CY 2010 geographic adjustment factor for the service for the fee schedule area (payment locality). In CY2011, part (c) of the formula will use the CY 2011 geographic adjustment factor.

These services were identified in 2006 by CPT codes 76075 and 76077, but have since been renumbered to 77080 and 77082. Based on this provision, the adjusted RVUs for these services are shown in the following table.

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CPT	MOD	WRVU	NON-FACILITY PE RVU	FACILITY PE RVU	MALPRACTICE RVU	NON-FACILITY TOTAL	FACILITY TOTAL
77080		0.22	2.35	NA	0.13	2.70	NA
	26	0.22	0.07	0.07	0.01	0.30	0.30
	TC	0.00	2.28	NA	0.12	2.40	NA
77082		0.12	0.59	NA	0.05	0.76	NA
	26	0.12	0.04	0.04	0.01	0.17	0.17
	TC	0.00	0.55	NA	0.04	0.59	NA

The adjusted payment amounts for these codes are included on the revised payment files and are retroactive to January 1, 2010.

Extension of Exceptions Process for Medicare Therapy Caps

Under the Temporary Extension Act of 2010, the outpatient therapy caps exception process expired for therapy services on April 1, 2010. Section 3103 of the Affordable Care Act continues the exceptions process through December 31, 2010.

Extension of Payment for the TC of Certain Physician Pathology Services

Under previous law, a statutory moratorium allowed independent laboratories to bill a carrier or a Medicare Administrative Contractor (MAC) for the TC of physician pathology services furnished to hospital patients. This moratorium expired on December 31, 2009. Section 3104 of the Affordable Care Act extends the payment for the TC of certain physician pathology services retroactive to January 1, 2010, through December 31, 2010.

Additional Information

The official instruction (CR 6973) issued to your carrier, FI, RHHI or A/B MAC, regarding this change may be viewed at *http://www.cms.gov/Transmittals/downloads/R700OTN.pdf* on the CMS website.

If you have any questions, please contact your carrier, FI, or A/B MAC at their toll-free number, which may be found at *http://www.cms.gov/MLNProducts/downloads/CallCenterTollNumDirectory.zip* on the CMS website.

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